

0457R000600450005-5

CONFIDENTIAL

~~RESTRICTED~~

CENTRAL INTELLIGENCE GROUP
INTELLIGENCE REPORT

25X1

COUNTRY China

DATE:

INFO.

25X1

SUBJECT Economic Information: The Kwangtung Industrial Corporation

DIST. 2 June 1947

PAGES 3

SUPPLEMENT

25X1

25X1

DISTRIBUTION

<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>					
STATE	WAR	NAVY	JUSTICE	R & E	C & D						25X1

25X1

History

1. In 1940 the Kwangtung Provincial Government established at Chuchiang (113-33, 24-50) the Kwangtung Wartime Trading Administration for the purpose of facilitating trading and transporting operations. Toward the end of 1941 this concern was reorganized and expanded in order to include industrial activities, becoming in January 1942 the Kwangtung Enterprise Company. It was not until 1943 that the present name was adopted. The organization operated factories, farms, and hostels in an area including Chuchiang and Lienhsien (112-26, 24-47) and made investments in foundries and mining works.

25X1

2. ☐ 1945, the property of the corporation suffered heavily. Officials were appointed in September 1945 to take over the management and establish the head office in Canton. Properties amounting at that time to CNC \$18,965,323 were taken over.
3. The Provincial Government in November 1945 placed under the corporation's management a number of government-owned factories and farms. A board of directors, listed below, was formed on 26 July 1946, with HSIEH Wen-lung (謝文龍) as chairman:

LO I-chun (羅翼群)
AU Fang-pu (區芳浦)
FIENG Tzu-chi (馮次祺)
FEI Hung-nien (費鴻年)

LI Te-chiao (李 大超)
 TSAI Ching-chun (蔡 勁軍)
 CHAN Chao-yang (詹 朝陽)
 LAN Hsun (藍 濂)

Financial Status

4. The corporation at its inception had a fixed capital of CNC \$40,000,000, of which only the inadequate sum of \$17,350,000 was paid up. During the war the assets were reduced to an insignificant figure. Subsequently the factories, which operated at first at a loss, began to pay for themselves, and by the end of June 1946 a profit of CNC \$180,000,000 was shown.

Current Program

5. The activities of the industrial, agricultural, and commercial units under the

CLASSIFICATION ~~RESTRICTED~~

Document No.

NO CHANGE in Class.

☐ **DECLASSIFIED**

Class. CHANGED TO:

DDA Memo. 6 Jan 1977

Auth: DDA 1991 77

Date: 180425

CONFIDENTIAL

25X1

~~RESTRICTED~~
CENTRAL INTELLIGENCE GROUP

-2-

management of this corporation for the year ending September 1946 are outlined as follows:

a. The Shunte Sugar Refinery

This plant was overhauled and put into operation in December 1945. Raw materials, purchased from the farmers, were paid for in refined sugar. Following are the official production figures for the period of December 1945 to April 1946:

<u>Cane pressed</u>	<u>Sugar produced</u>	<u>Molasses produced</u>
1,391,131 piculs	122,976 piculs	49,134 Piculs

b. The Canton Brewery

Hampered at first by lack of ingredients and low demand for the products, this plant has increased the volume of its business to its maximum capacity - 8,000 to 10,000 bottles of beer per day and 7,000 to 10,000 bottles of aerated water per day. From November 1945 to September 1946 the total production was 226,397 bottles of beer and 588,395 bottles of aerated water.

c. Canton Textile Works

When this mill was taken over in January 1946 only 3,200 of its spindles were in good condition, and its production capacity was three bales of twenty count yarn per day. For a period of six months yarns were spun for cotton owners on a fee basis. The number of spindles now in operation is 10,000 and the maximum production is ten bales (430 lbs) of twenty count yarn per day.

d. The Canton Ice Works

After extensive repairs, the machinery and cold storage facilities were put into operation on 16 August 1946. Production capacity is ten tons per day.

e. The Canton Wine and Spirits Company

When the corporation took over the Canton Alcohol Plant in January 1946, a great deal of the machinery was beyond repair. The maximum output is estimated at 600 piculs of wine per month. During the six month period ending 15 September 1946 the total production was 27,904 piculs of wine and 69 piculs of spirits.

f. The Canton Shipbuilding Factory

This factory is so poorly equipped that production is practically at a standstill. The corporation has applied to CNRRA for the necessary machinery.

g. The Meilu Jute Mill

Established in Meilu (110-47, 21-23) before the war, at the outbreak of hostilities this mill was moved to Hsini (110-52, 22-08). In June 1946 it was decided that it should be returned to Meilu where it will be closer to the jute-producing area. Estimated future production is 30,000 gunny sacks per month.

h. The Mou Ming Sugar Refinery

This refinery, set up in Nanhsiung (114-17, 25-13) during the war and later moved to Chaoching (112-29, 23-04), has been forced out of production. The corporation took it over in June 1946 but because equipment is lacking and the location isolated, its operation is considered impractical.

~~RESTRICTED~~

~~CONFIDENTIAL~~

This document contains information affecting the national defense of the United States within the meaning of the Espionage Act 50, U.S.C. 31 and 32 as amended. Its transmission or the revelation of its contents in any manner to an unauthorized person is prohibited by law.

i. Yueh Hua Machine Shop

This shop, moved from Lochang (113-18, 25-08) to Canton, is not in operation because it lacks proper machinery.

j. Yueh Chiang Printing Plant

A portion of the machinery was badly damaged during the enemy occupation of Chuchiang. The rest has been temporarily moved to Canton.

k. Sugar cane farms

To insure adequate supplies of high quality sugar canes for the refinery, eight cane farms are under scientific cultivation in Chungshan (113-36, 22-22), Shunte (113-16, 22-50), and Canton.

l. Silk industry commission

To rehabilitate and improve the silk industry in the province, a commission has been set up to supervise the production and distribution of silk products. This commission is made up of experts, officials, and bankers, and is headed by HSIEH Wen-lung, Commissioner of Reconstruction.

m. Commercial activities

A department has been organized to handle the following commercial activities:

- (1) Purchase of raw materials for the corporation's factories
- (2) Distribution of products made by factories
- (3) Dealings with manufacturers throughout China
- (4) Deals with foreign firms
- (5) Retail business

Transportation Facilities

6. The Provincial Government is providing the corporation with ninety used trucks.

7. A fleet of seven steamers has been obtained. All except the first two on the list were taken over from the military authorities, and are very old:

S. S. Sarpen, chartered to carry mainly rice and provisions between Canton and ports of Formosa, Annam, and Hainan.

S. S. Tienshan, to ply between Canton, Swatow, Haikou, and Kwangchow, carrying principally salt and provisions.

S. S. Po Tor, dry-docked at present

S. S. Yuatshiu, " " "

S. S. Kun Lum, " " "

S. S. Lo Fo, " " "

S. S. Ngor Mai, " " "

8. The Southwest Aviation Company, a pre-war company financed by the Kwangtung and Kwangsi Provincial Governments, is also in partnership with the corporation. Fifty-three planes and some radio equipment have been taken over from the Nanking Government, and freight and passenger service is expected to be available as soon as ground stations are completed.

RESTRICTED

CONFIDENTIAL